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U.S. BANKRUPTCY COURT  
DISTRICT OF DELAWARE

July 17, 2024

The Honorable Judge Thomas M. Horan  
824 North Market Street  
3rd Floor  
Wilmington, DE 19801

Dear Judge Horan,

I am writing on behalf of my colleagues and myself to express our heartfelt gratitude for your timely intervention and the issuance of our paychecks through July 5, 2024. Your actions have provided us with much-needed financial relief and demonstrated your concern for our well-being amidst the challenging circumstances we face.

We are deeply concerned about the breach of trust perpetrated by Chicken Soup for the Soul. Despite deductions from our paychecks intended for health, life, and disability insurance, as well as taxes and retirement contributions, these payments were never actually made. This mismanagement has left us without essential benefits and coverage, further exacerbating our financial and personal difficulties.

We are also concerned that the entire factual story is not being told, and that crucial details about the mismanagement and unethical practices are being overlooked.

Our insurance coverage was reportedly canceled in November 2023, and our paychecks were consistently tendered late. During this period, CEO William J. Rouhana, Jr., who holds 79% of the voting power of the outstanding common stock, knowingly canceled our health insurance and withheld our paychecks. Additionally, the third-party automotive reimbursement program, Motus, continually released our reimbursements late from November 2023 until July 11, 2024. The last two paychecks were only released due to the court's intervention. It was reported that Mr. Rouhana was the only person authorized to approve and release paychecks and payments to all vendors and creditors.

Knowing that the insurance was canceled, employees were not notified until well into January 2023. Many employees are only now finding out about the first lapse in coverage as creditors call to collect the amounts owed, which should have been covered by insurance. Furthermore, our last two Motus reimbursement amounts for May and June have still not been paid.

Our insurance benefits were abruptly canceled on May 14, 2024, yet we were not officially notified of this until June 18, 2024. This delay, exacerbated by the subsequent filing for Chapter 11 bankruptcy, has had profound consequences. Many of us have been left ineligible to join

spousal insurance plans or enroll in ACA coverage, as the calendar days since cancellation have exceeded allowable limits. This situation has placed us in a precarious position, without crucial healthcare coverage during a time of great uncertainty and need.

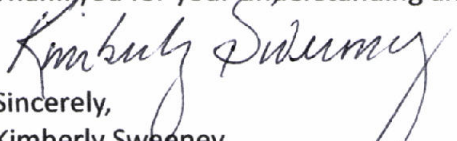
We are gravely concerned that Redbox employees do not have, nor can we afford, adequate representation in this matter. We feel as though we are being treated like cattle in a stockyard, awaiting slaughter, left without any recourse. Our inability to apply fully and be approved for unemployment benefits, Supplemental Nutrition Assistance Program (SNAP), Medicaid, and other government assistance programs designed to support individuals in situations like ours has left us in a dire situation.

We respectfully request that you specifically call out the third-party Motus automotive reimbursement payments in your court documents. Furthermore, we urge you to mandate a full and complete audit of Chicken Soup for the Soul Entertainment and Chicken Soup for the Soul Publishing Corporations. It is imperative to investigate their potentially unethical, if not illegal, business practices, including the violation of employee and public trust.

Since we lack direct legal representation, we are left with no choice but to resort to "self-help" measures by individually petitioning the governmental court directly for redress of grievances, a right guaranteed by the First Amendment. This includes advocating for our rights and seeking justice for the injustices we have endured, particularly regarding the mishandling of our benefits and compensation. Despite our challenges, we are committed to pursuing a fair resolution through lawful means, ensuring that our voices are heard and our rights are upheld.

Your continued support and attention to these matters are critical to ensuring that justice is served and that we, the affected employees, receive the compensation and benefits we rightfully deserve.

Thank you for your understanding and assistance.

  
Sincerely,  
Kimberly Sweeney  
Operations Administrative Asst. (since 2009)  
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